

2015 ANNUAL REPORT

Southwest 
REGIONAL CREDIT UNION

— *Serving People with People Since 1939*

AGENDA



26th Annual Meeting of
JANUARY 19, 2016 • 7:30 P.M.

Registration

- Call To Order By Chairperson
- Report On Registration Of Members
- Appointment Of Recording Secretary

Service Awards

Business Meetings

1. Minutes Of The 25th Annual Meeting
2. Report Of The Board Of Directors and The Chief Executive Officer
3. Report Of The Loan Officer
4. Report Of The Audit Committee
5. Report Of The Auditors

New Business

1. Appointment Of The Auditors
2. Elections

Other Business

Guest Presentations: Elaine Lewis (Chatham-Kent) and Leslie Palimaka (Sarnia-Lambton) Student Nutrition Program

Adjournment

(Coffee & Desserts will be available after the adjournment of the Annual Meeting)

2014-2015 Board of Directors

Bruce Hyde	2015	Rick Rule	2016	Bill Pollock	2017
Matt Pasut	2015	Lorne Johnson	2016	Ben Dekker	2017

Appointed by the Board of Directors:

Dan O'Neil and Bill Hoad

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25TH ANNUAL MEETING MINUTES
January 20, 2015



The 25th Annual Meeting of Southwest Regional Credit Union Ltd. was held at the Royal Canadian Legion – Branch 62, 286 Front Street North, Sarnia, Ontario on January 20, 2015.

The meeting was called to order at 7:35 p.m.

Chair, Rick Rule welcomed members of Southwest Regional Credit Union Ltd. and guests; Bill Loucks and Eric Martin of Collins Barrow Chartered Accountants; Pamela McLeod of Pamela McLeod Law Firm; Rod McLean and Bill Currie of Scotia McLeod; Debra Snowball of Gunnebo, Barbara Wing of Wing Consulting, Mayor of Plympton-Wyoming Lonnie Napper, Mayor of Chatham-Kent Randy Hope, Mayor of St. Clair Township Steve Arnold and Jim Foubister– Past President of Southwest Regional Credit Union and former City of Sarnia Councillor.

Rick Rule passed on regrets from Dorothy Watson – Central 1; Denise Milan - CUMIS; Annette Kirk - Credential; Sandra Aguire – Credential; Rick Moeskops – CGI; Paul Hogg – CUMIS; Jeff Burchill – SunLife; Jim & Dave Pollard – Elric General Contractors; Don Wright - Central 1; Vik Gujarati – Central 1; Roman Prokaziuk – CUETS Financial; Catriona Belet – Blackburn Radio; Jacqueline Smith – MC Business Solutions; Bill Baldock – Past President; Dale Steeves, Shirley Eyre and Tony Doucette – Past General Managers of Southwest Regional Credit Union.

Chair Rick Rule acknowledged the Board of Directors for 2013 – 2014: Bruce Hyde – Board Member and Governance Committee Chairman; Dan O’Neil – Board Member and Future Direction Committee Chairman; Lorne Johnson – Board Member and Audit Committee Chairman; Bill Hoad – Board Member and Personnel Committee Chairman; Bruce Fisher – Board Member, CEO Evaluation Committee Chairman and Board Vice-Chair; Peter Robinson – Board Member and Marketing & Nominations Committee Chairman; Rick Rule introduced himself as Board Chair and Executive Committee Chairman.

Regrets: Don Godfrey – Board Member and Property & Premise Committee Chairman; Lindsay Shaw – Board Member

Chair Rick Rule thanked the members of the Board, on behalf of the Senior Management and Staff, for the countless hours and dedication for the benefit of the Credit Union and extended a special thank you to the Board Member leaving for the many years of participation, guidance and experiences.

Rick Rule asked Mr. Secretary, Tony Gioiosa if a quorum was present. Tony Gioiosa responded yes, there are 52 members and 10 guests present.

It was moved by Ken Ritchie and seconded by Keith Rabadoux to appoint Angela Gordon the Recording Secretary of the 25th Annual Meeting of Southwest Regional Credit Union Ltd. Motion Carried.

Chair Rick Rule recognized and presented awards to the following staff for their service to the Credit Union:

Twenty Five (25) years of service:	Janice Mathers (Head Office)
Fifteen (15) years of service:	Tony Gioiosa (Head Office)
Ten (10) years of service:	Mary Heyblom (Head Office)
Fifteen (15) years of service:	LuAnne Rummerfield (Exmouth Branch)

There was one board member service award:

Eight (8) terms of service:	Bruce Hyde
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Business Meeting

Rick Rule presented the Minutes from the 24th Annual Meeting. Noting that there were no errors or corrections to be made, it was moved by Lorne Johnson and seconded by Sherry VanBilsen to accept the Minutes of the 24th Annual Meeting as presented. Motion Carried.

Tony Gioiosa presented the Report of the Board of Directors and CEO. Mr. Gioiosa stated that in our 75th year of operation, Southwest Regional Credit Union remains both viable and competitive while also recognizing that excessive pricing strategies, increased marketplace competition and developing regulatory pressures are now having a continued effect on our operations. We plan to embrace these issues and focus our efforts on delivering financial products to our members at a fair and reasonable price. With rates still low and our economy sluggish, as a whole, Southwest has managed to balance these hardships and continued to distribute earnings to members. We have also been able to grow both our staff and our facilities, which include the addition of new Financial Advisors and renovations to the Exmouth branch. Similarly, contributions into and out of our Community Reinvestment Fund remained strong this year with many notable contributions. Tony thanked the members for their support this year and the previous 74 years. Tony Gioiosa moved for acceptance of The Report of the Board of Directors and CEO as presented and Jim Foubister seconded. Motion Carried.

The Report of the Loan Officer was presented by Gary Fuoco, Director of Sales and Service. Mr. Fuoco reported that the economic environment remains unstable and global issues continue to put pressures on the world's economy. 2013/2014 was a reasonable year for the Credit Union's loan department even with the negative expectation forecasted. Our Retail, Commercial and Agricultural portfolio all saw increases averaging at 0.93%. The loan department processed 439 loan applications for \$2,197,770 new money and 147 mortgage applications for \$14,575,011. Staff maintained tight control of delinquent loans with 5 delinquent mortgage accounts with a probable loss of \$42,000 and 11 charged-off accounts for \$79,443.00. Gary Fuoco moved for acceptance of the Report of the Loan Officer and Peter Robinson seconded. Motion Carried.

Lorne Johnson presented the Report of the Audit Committee. Mr. Johnson explained the committee's function in the Credit Union. The committee met quarterly in camera with the Accounting Manager and Accounting Assistant to review work completed by Management, Staff and External Auditors. The committee worked closely with the Accounting Manager to review internal controls, accounting policies, reporting procedures and audited financial statements. The committee advised the membership that Southwest, through its solicitors, filed a Statement of Claim against our former auditors, Hume, Mayer & McDonough LLP for not claiming tax credits the Credit Union would have been entitled to under Section 137 of the Income Tax Act (the "Federal Act") and Section 51 of the Corporations Tax Act (the "Provincial Act") for the 2001 - 2010 taxation years. Following receipt of Statement of Defense and a re-assessment of past entitlements, a revised Statement of Claim was issued with an Offer to Settle. The Committee continues to support Southwest's intent to pursue the matter. The Audit Committee reported there were no significant recommendations or outstanding issues to report to the membership. Lorne Johnson moved for acceptance of the Report of the Audit Committee and Claire Dawson seconded. Lorne asked if there were questions. Dave Martin questioned if the amount of dollars claimed was significant enough to pursue the matter. Tony addressed the member to answer that the Credit Union had issued an Offer to Settle in an attempt to resolve the matter. The Offer has been rejected and the Board supports further litigation because the amount involved is considered to be significant. Motion Carried.



Rick Rule called on Collins Barrow to give The Report of the Auditors. Bill Loucks and Eric Martin gave the Auditor's presentation to the membership. Bill congratulated the Credit Union on 75 years of service to the communities. Bill stated that the audit was conducted in accordance to the Canadian Auditing Standards. A Summarized Audit Report was provided to the membership with a full report available at each branch. Bill commented that the overall changes with the Credit Union year over year results have been fairly consistent with the previous year. The biggest change, as Auditors, happened on December 15, 2015 when the independent standards changed so that Collins Barrow can no longer provide both auditing services and other advisory services to the Credit Union. Barbara Wing is now solely offering advisory services to Southwest on an independent basis. Eric Martin presented comparative charts to the group. Assets reached \$137,203,086 compared to \$136,770,607 in 2013. There was a 120% growth in loans from 2010 – 2014 mainly in commercial and agricultural loans. Mortgage growth showed a slight increase. Eric confirmed Southwest continues to be a leader in net income as a percentage of revenue within the Credit Union system. Loan loss as a percentage of revenue continues to be the lowest in the industry.

Bill added that Southwest remains very well capitalized and commended the Credit Union for having the lowest loan loss. The Report of the Auditors was moved for acceptance by Bill Hoad and seconded by Lorne Johnson. Motion Carried.

New Business

APPOINTMENT OF THE AUDITORS:

Rick Rule advised the membership that a proposal has been received from Collins Barrow to continue their services into the next year and that the Board supports the proposal. Rick Rule requested on behalf of the Board, a motion to appoint Collins Barrow Chartered Accountants as the Credit Union Auditors for the fiscal year November 1, 2014 to October 31, 2015. The motion was moved by Peter Robinson and seconded by Jim Foubister. Motion carried.

ELECTIONS:

Rick Rule called on Pamela McLeod to chair the elections. Ms. McLeod explained the procedure and announced four positions available due to the expiration of the terms of Bruce Fisher, Don Godfrey, (each having expired 3 year terms) Dan O'Neil and Bill Hoad (each appointed). None have chosen to run for re-election. The secretary posted the "Call for Nominations to the Board of Directors" from November 24, 2014 to December 31, 2014 at 3:00 p.m. The secretary, Tony Gioiosa, reported that the names were received from the Call for Nominations. The nominating committee submitted the names of Ben Dekker for a three year term, Mike Sumner seeking a three year term, Bill Pollock seeking a three year term, and Matt Pasut seeking a one year term. Pamela McLeod cast a single ballot to elect the four by acclamation. Ms. McLeod explained that in accordance with the by-laws of Southwest Regional Credit Union, Ben Dekker, Mike Sumner, Bill Pollock are elected to three year terms and Matt Pasut is elected to a one year term by acclamation. The Board will now move forward with the appointment of a candidate for the vacant position. Nominations for the vacant position will be accepted prior to the 2015 Annual General Meeting. Chairman Rick Rule thanked Ms. McLeod for chairing the elections.

Bylaw Changes/Amendments: Nil



Other Business

Rick Rule addressed the membership on the 75th Anniversary and how the Credit Union commemorated the event over the past year with the staff wearing anniversary shirts, staff celebrations as well as member celebrations, and prizes for the members. He then invited some of the guests of the celebrations to address the membership. Jim Foubister, past President of SWRCU and former City of Sarnia Councilor, Randy Hope, Mayor of Chatham-Kent, Lonnie Napper, Mayor of Plympton-Wyoming, and Steve Arnold, Mayor of St. Clair Township addressed the group and shared memories of the Credit Union and the impact that Southwest has had on the communities.

Rick Rule asked the membership if there were any other items which needed to be discussed. None were brought forward.

Rick Rule thanked staff for their help in coordinating the Annual Meeting. Several door prizes were drawn: door prize winners were Vanessa Ramsay – Jacket & Insulated Travel Mug, compliments of CUMIS Insurance (Home & Auto), Gary Fuoco – Sunglasses and Leather Wallet, compliments of Central 1, Deborah M^cLachlin – Golf Umbrella compliments of CGI, Insulated Travel Mug compliments of Fox FM and Mini I-Pad case compliments of Southwest Credit Union, Lorne Johnson - Golf Umbrella compliments of CGI, Insulated Travel Mug compliments of Fox FM and Mini I-Pad case compliments of Southwest Credit Union, Ashley Rusticus – Computer printer compliments of MC Business Solutions, Gina Savo – Golf Shirt compliments of Credential; Steve Arnold - Restaurant gift card, bag, glass thermos and pen compliments of CUMIS Insurance (Creditor division), Jim Foubister – Walmart gift card compliments of Wing Consulting, Cheryl Glover – Gift Basket compliments of Southwest Regional Credit Union. Rick Rule invited everyone to stay for dessert and coffee.

Adjournment

Rick Rule moved for adjournment of the 25th Annual Meeting of Southwest Regional Credit Union Ltd. and Dave Dochstader seconded at 8:50 p.m. Motion Carried.

Chair of the Board of Directors

Secretary to the Board of Directors

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**REPORT OF THE BOARD OF DIRECTORS
& CHIEF EXECUTIVE OFFICER**
January 19, 2016



The 2015 market remained one of industry change and competitiveness; pricing incentives and technological advances are changing how businesses price products and services, as well as how they interact with consumers. Additionally, regulatory pressures continue to demand greater accountability of Management and Directing Boards in an attempt to increase protection of members' deposits in today's complex economy as fraud attempts that result in financial losses become increasingly sophisticated. Internal projections confirm the continuation of these stressors into 2016, which is likely to impact revenue negatively.

Despite the competitive nature of the 2015 market, Southwest operated to produce net-positive results largely due to our solid capital base, which is among the Credit Union system's top quartile as a percentage of membership. As a result, Southwest was able to positively impact our communities through the continuation of programs such as the Student Bursary Program; the Community Reinvestment Program, which continues to entertain donations for local charities; and by remaining a stable employer within the Sarnia, Wyoming, Corunna, and Wallaceburg communities.

Additionally, in 2015 Southwest was able to reinvest into the Credit Union as well as issue dividends and interest rebates as follows:

• Dividend Savings	1.00%
• Dividend Term	1.25%
• Personal Loans	1.50%
• Lambton Line II	0.20%
• Personal Mortgages	0.50%
• Commercial Mortgages	0.25%

Moving forward into 2016, we will continue initiatives that show promise, such as the Member Referral Program, the Competitive Car Loan and the Home Improvement Program. We will also be introducing new initiatives such as:

- Choice Rewards for member Point-of-Sale Purchases
- Introduction of our Mobile App, which will give members the ability to deposit cheques electronically
- Development of financing programs designed to assist members in constructing their dream home

Lastly, we are pleased to report that Phase 2 of the Exmouth Branch renovation will begin in the Spring of the new year, which entails re-facing the building's front, constructing a new member entrance, the installation of an elevator and interior renovations to accommodate the expanding group of staff.

We thank you for your continued support as we move forward together into 2016. We are committed and determined to adapt to the changing, competitive landscape of our industry and will strive to make the upcoming year another one of profit.

Respectfully yours,



Richard R. Rule
Board Chair



Anthony "Tony" Gioiosa
Chief Executive Officer



REPORT OF THE DIRECTOR OF SALES & SERVICE

January 19, 2016

On behalf of our Sales Department, I will report the lending activity experienced throughout the year.

Consistent over the past few years, the Canadian economy remains unstable and somewhat fragile. Recent declines in oil pricing to levels not experienced in years has not only hurt the Province of Alberta but the entire country as ripple effects in manufacturing activities hits an all-time low, further devaluating the Canadian dollar. Inevitably, the jobless rate has remained higher than desired, leading those carrying high debt loads to declare personal bankruptcy. For the year ending October 2015, bankruptcies were up 2.3%.

Going into 2016 we expect continued low rates, increasing regulatory pressures and more news about nimble financial technology companies, all of which we anticipate will affect our business. Locally in the Windsor-Sarnia economic region, employment is expected to increase by 1.40% in 2016 and 1.00% in 2017. Construction jobs are expected to be the motivating factor as manufacturing companies invest in new production lines.

Lending activity throughout 2014/2015 produced good volumes but negative net results as we remain vigilant in booking profitable business furthering our member relationships. Decreases in our commercial lending portfolio is the result of payouts received on syndicated mortgages we are involved in. Overall, our lending decreased 3.2%

Your loan department processed 439 loan applications, rejecting and deferring 173 requests and making 266 new loans for \$2,831,098 new money. The number of loans outstanding at year-end was 398 Personal loans for \$4,929,805 and 6 Commercial/Agricultural loans for \$82,492, an overall increase of \$61,527. The number of personal lines of credit outstanding at year-end was 1896 for \$22,925,660 and 75 Commercial/Agricultural/Associations for \$3,085,109 an overall decrease of (\$2,300,243). The authorized amount that could be utilized is \$33,174,914. The net decrease for the year was (\$2,238,716).

Your loan department processed 205 mortgage applications, rejecting and deferring 112 and booking 93 new mortgages for \$17,003,479. The volume outstanding at year-end was 456 Personal mortgages for \$46,670,400 and 56 Commercial/Agricultural mortgages for \$20,257,127. Total authorized but yet to be advanced is \$5,790,281. The net decrease was (\$905,731).

Staff maintained tight control of delinquent loans. At year-end the Credit Union had two (2) delinquent mortgage accounts for \$106,763 with no probable loss. Total charge-off for 2014/2015 was seven (7) accounts for \$63,854. Bad Debt collections for the year totaled \$4,650. Your credit union maintains adequate allowance for future loss exposure.

The following is a breakdown of the distribution of loans by purpose:

2014-2015 Lending Activity	Increase (Decrease)
Personal Loans	\$71,730.30
Lines of Credit	(\$430,950.13)
Lambton Line II (Secured Lines of Credit)	(\$1,796,864.79)
Residential Mortgages	\$417,007.31
Commercial and Agricultural Loans	(\$10,203.62)
Commercial and Agricultural Lines of Credit	(\$72,427.54)
Commercial and Agricultural Mortgages	(\$1,322,738.02)
TOTAL	(\$3,144,446.49)

Respectfully submitted,

**Anthony "Tony"
Gioiosa**

Chief Executive Officer

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REPORT OF THE AUDIT COMMITTEE
January 19, 2016



Your Credit Union Audit Committee consists of three members from the Credit Union Board of Directors pursuant to Section 125, Bill 134, Credit Union and Caisses Populaires Act, 1994.

Our mandate is to play a liaison role between Management, Board, Internal Auditors and External Auditors. We maintain a critical review of the Credit Union functions and take appropriate action as mandated by the Act and the Regulations. Our role should be perceived as a deterrent function and ensure fair reporting to the membership.

The committee met quarterly with the Internal Auditor, CEO and Accounting Manager to review work completed by Management, Staff, the Internal Auditor and the External Auditors. In camera sessions with the Internal Auditor were also scheduled throughout the year. Our function requires that we work closely with the Internal Auditor and Accounting Manager to review internal controls, accounting policies, reporting procedures and audited financial statements. We also review directives and examine reports from the Insurer, the Ministry of Finance and other regulatory bodies.

The committee receives full cooperation and support from Management to enable it to play an effective role in improving the quality of financial reporting to members and enhancing the overall control structure of Southwest Regional Credit Union.

The committee previously reported to the membership that, through its solicitor, a Statement of Claim had been issued against its former auditors, Hume, Mayer & McDonough for not claiming tax credits that the Credit Union would have been entitled to under section 137 of the Income Tax Act (the "Federal Act") and section 51 of the Corporations Tax Act (the "Provincial Act") for the 2001 – 2010 years. The committee wishes to report that our litigation continues with the matter likely to be presented to the courts for resolution and that the committee continues to support Southwest's intent to pursue the matter.

The Audit Committee is pleased to report that there are no significant recommendations not implemented and there are no outstanding issues to be reported to the membership or any further matters which are required to be disclosed pursuant to the Act.



Respectfully submitted,

A handwritten signature in black ink that reads "Lorne Johnson". The signature is written in a cursive, flowing style.

Lorne Johnson
Audit Committee Chairman

IN THE COMMUNITY





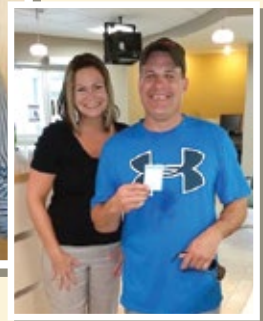
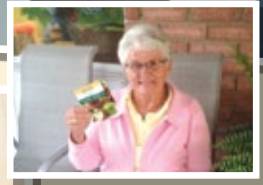
IN THE COMMUNITY

CONTINUED



GIVEAWAY

Winners





SOUTHWEST REGIONAL CREDIT UNION LTD.
AUDITOR'S REPORT
AND SUMMARIZED FINANCIAL STATEMENTS
October 31, 2015



Collins Barrow

Chartered Accountants

Collins Barrow CK, LLP
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Chatham, Ontario
N7M 3G8 Canada

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F. 519.351.8831

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Independent Auditor's Report

To the Members of Southwest Regional Credit Union Ltd.

The accompanying summarized financial statements of Southwest Regional Credit Union Ltd., which comprise the summarized balance sheet as at October 31, 2015, and the summarized statements of earnings, comprehensive income and members' equity for the year then ended are derived from the audited financial statements of Southwest Regional Credit Union Ltd. for the year ended October 31, 2015. We expressed an unmodified audit opinion on those statements in our report dated December 16, 2015. Those financial statements and the summarized financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summarized financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summarized financial statements, therefore, is not a substitute for reading the audited financial statements of Southwest Regional Credit Union Ltd.

Management's Responsibility for the Summarized Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on these summarized financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summarized financial statements derived from the audited financial statements of Southwest Regional Credit Union Ltd. for the year ended October 31, 2015 are a fair summary of those financial statements, in accordance with International Financial Reporting Standards.

Collins Barrow CK, LLP

Chatham, Ontario
December 16, 2015

**CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS**

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Summarized Statement of Earnings
 YEAR ENDED OCTOBER 31, 2015



	2015	2014
REVENUE		
Interest from personal loans	\$ 553,813	\$ 577,101
Interest from mortgage loans	2,612,981	2,778,937
Interest from commercial loans	694,389	700,147
Interest from investments and short-term deposits	435,502	456,805
Interest from agriculture loans	389,664	366,570
Service charges	555,740	583,093
Other revenue	31,149	13,981
	<u>5,273,238</u>	<u>5,476,634</u>
INTEREST EXPENSE		
Interest on term deposits	349,177	321,242
Interest on demand deposits	36,988	34,200
Interest on Registered Retirement Savings Plans	360,995	400,695
Interest on Registered Retirement Income Funds	132,405	133,251
	<u>879,565</u>	<u>889,388</u>
FINANCIAL MARGIN	<u>4,393,673</u>	<u>4,587,246</u>
EXPENSES		
Administrative	624,946	590,303
Occupancy	550,808	513,308
Salaries and benefits	1,812,962	1,745,637
Computer and network fees	364,960	377,149
Provision for impaired loans	94,000	108,000
	<u>3,447,676</u>	<u>3,334,397</u>
EARNINGS BEFORE INCOME TAXES AND DISTRIBUTION TO MEMBERS	<u>945,997</u>	<u>1,252,849</u>
Interest rebate	13,873	33,914
Dividend on dividend savings accounts	149,156	183,304
	<u>163,029</u>	<u>217,218</u>
EARNINGS BEFORE INCOME TAXES	<u>782,968</u>	<u>1,035,631</u>
INCOME TAXES		
Current	174,157	273,444
Deferred	3,946	8,066
	<u>178,103</u>	<u>281,510</u>
NET EARNINGS	<u>\$ 604,865</u>	<u>\$ 754,121</u>



**Summarized Statement of
Comprehensive Income and Members' Equity**
YEAR ENDED OCTOBER 31, 2015

	2015	2014
Net earnings for the year	<u>\$ 604,865</u>	<u>\$ 754,121</u>
Other comprehensive income:		
Unrealized gains (losses) on available-for-sale financial assets arising during the year	(13,277)	4,777
Income tax effect	<u>3,014</u>	<u>(1,084)</u>
Other comprehensive income	<u>(10,263)</u>	<u>3,693</u>
Comprehensive income	<u>\$ 594,602</u>	<u>\$ 757,814</u>
 CONTINGENCY RESERVE		
Balance, beginning of the year	\$ 17,177,606	\$ 16,423,485
Net earnings for the year	604,865	754,121
Reclassification adjustment for gains and losses previously included in accumulated other comprehensive income	<u>22,253</u>	<u>-</u>
Balance, end of the year	<u>\$ 17,804,724</u>	<u>\$ 17,177,606</u>
 ACCUMULATED OTHER COMPREHENSIVE INCOME		
Balance, beginning of year	\$ 32,516	\$ 28,823
Other comprehensive income for the year	(10,263)	3,693
Reclassification adjustment for gains and losses realized and included in contingency reserve	<u>(22,253)</u>	<u>-</u>
Balance, end of year	<u>\$ -</u>	<u>\$ 32,516</u>

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Summarized Balance Sheet
 OCTOBER 31, 2015



	2015	2014
ASSETS		
Cash and marketable securities	\$ 24,913,350	\$ 20,035,499
Investments	9,748,930	9,804,522
Loans to members		
Personal loans	6,565,289	6,964,815
Mortgage loans	67,592,251	68,916,108
Commercial loans	11,819,116	15,030,723
Agricultural loans	11,516,814	9,749,824
Capital assets	6,249,004	5,933,572
Other assets	<u>671,965</u>	<u>768,023</u>
	<u>\$ 139,076,719</u>	<u>\$ 137,203,086</u>
LIABILITIES		
Members' deposits	\$ 120,270,698	\$ 118,854,841
Other liabilities	852,462	988,308
Members' share capital	<u>148,835</u>	<u>149,815</u>
	<u>121,271,995</u>	<u>119,992,964</u>
MEMBERS' EQUITY		
CONTINGENCY RESERVE	17,804,724	17,177,606
ACCUMULATED OTHER COMPREHENSIVE INCOME	-	32,516
	<u>17,804,724</u>	<u>17,210,122</u>
	<u>\$ 139,076,719</u>	<u>\$ 137,203,086</u>

ON BEHALF OF THE BOARD

RWB

Director

Laine Johnson

Director



BANKING SERVICES

STUDENT/YOUTH ACCOUNTS
HERITAGE 60/SENIOR ACCOUNTS
PERSONAL CHEQUING ACCOUNTS
PERSONAL CHEQUING PLUS ACCOUNTS
REGIONAL ACCOUNT
REGIONAL ACCOUNT PLUS
MAXIMIZER ACCOUNTS
PLAN 24 SAVINGS ACCOUNTS
U.S. PLAN 24 SAVINGS ACCOUNTS
ASSOCIATION ACCOUNTS
COMMUNITY ACCOUNTS
TERM DEPOSITS
BUSINESS/CURRENT ACCOUNTS
(FLAT FEE or PAY-PER-USE)
AGRICULTURAL ACCOUNTS
(FLAT FEE or PAY-PER-USE)
AGRIINVEST ACCOUNTS

OTHER SERVICES

LOAN & MORTGAGE LIFE INSURANCE
LOAN DISABILITY INSURANCE
CRITICAL ILLNESS INSURANCE
HOME & AUTO INSURANCE
TRAVEL INSURANCE
TRAVELLERS CHEQUES
WIRE TRANSFERS
ELECTRONIC BILL/UTILITY PAYMENTS
CERTIFIED CHEQUES
MONEY ORDERS
FOREIGN CURRENCY
INTER-BRANCH BANKING
SAFETY DEPOSIT BOX RENTAL
MERCHANT MASTERCARD
CREDIT UNION MASTERCARD
PASSBOOK
LETTER & NIGHT DEPOSITORY

ELECTRONIC SERVICES

ABM'S AT ALL BRANCH LOCATIONS
MEMBERCARD – DEBIT CARD (POINT OF SALE)
PC BANKING
TELEPHONE BANKING
TEXT MOBILE BANKING
E-TRANSFER
MOBILE BANKING

LENDING SERVICES

PERSONAL LOANS – FIXED AND VARIABLE RATE
RESIDENTIAL MORTGAGES
HIGH RATIO MORTGAGES
LINES OF CREDIT – OVERDRAFT PROTECTION
HOME EQUITY LINES OF CREDIT
STUDENT LOANS & LINE OF CREDITS
RRSP LINE OF CREDITS
COMMERCIAL LOANS, OPERATING LINES
& MORTGAGES
AGRICULTURAL LOANS, OPERATING LINES
& MORTGAGES
BRIDGE/INTERIM FINANCING
LETTERS OF CREDIT

INVESTMENT SERVICES

RRSP, RRIF, LIRA, LIF
REGISTERED DISABILITY SAVINGS PLANS
REGISTERED EDUCATION SAVINGS PLANS
MUTUAL FUNDS OFFERED THROUGH CREDENTIAL ASSET MANAGEMENT INC.
S&P/TSX 60 INDEX-LINKED TERM DEPOSITS
SHORT & LONG TERM – TERM DEPOSITS
TAX FREE SAVINGS ACCOUNT
LICENCED FINANCIAL PLANNING SERVICES
QTRADE DISCOUNTED TRADING SERVICES

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DONATIONS AND SPONSORSHIPS
 November 2014 to October 2015



Art Under Glass	Kinsmen Club of Wallaceburg <i>Draw sponsor</i>	Royal Canadian Legion Branch 18 <i>Golf tournament</i>
BDO Canada Ladies Invitational Bonspiel	Lambton Cattlemen's Association	Royal Canadian Legion Branch 388 <i>Poppy Fund</i>
Big Brothers Big Sisters of Sarnia-Lambton <i>Bowl for Kids Sake</i>	Lambton College SAC <i>Handbook</i>	Sarnia Girls Soccer Club
Brian Fox Memorial Agriculture Scholarship <i>Bar-N-BQ</i>	Lambton County Development Services <i>Christmas party sponsor</i>	Sarnia-Lambton Rebound <i>Hearts for Youth Gala</i>
Camp Maple Leaf <i>Bronze Decals</i>	Lambton County Pork Producers	Sarnia Sting Minor Bantam Hockey Club <i>Team Banner</i>
Canadian Cancer Society <i>Memorial Donation</i>	Lambton Soil and Crop Improvement Association	Special Olympics Ontario <i>Oldtimers Benefit Hockey</i>
Chatham-Kent Family Health Team	LKAITC Action Committee <i>A Taste of Lambton-Kent</i>	St. Joseph Catholic School <i>Corunna barbeque proceeds</i>
Chatham-Kent Health Alliance	Mooretown International Juvenile Silverstick	Super Cruise <i>Gift card</i>
Chatham-Kent Pork Producers	Multiple Sclerosis Society of Canada	Sydenham Challenge Dragon Boat Festival <i>Winter Beach Bash</i>
CNIB <i>Walk Donation</i>	Ontario Sheep Marketing <i>AGM sponsor</i>	United Way of Chatham-Kent <i>Sponsor golf hole</i>
Community Living Wallaceburg	Ontario Student Nutrition Program <i>Wallaceburg barbeque proceeds</i>	Wallaceburg & District Chamber of Commerce <i>Business After Hours</i>
Corunna United Church <i>Memorial Donation</i>	Ontario Sugarbeet Growers Association <i>Annual meeting sponsor</i>	Wallaceburg & District Chamber of Commerce
Dante Club	Ontario Sugarbeet Growers Association	Wallaceburg & District Chamber of Commerce <i>Toy drive</i>
Dresden Saddle Club	PE McGibbon Public School <i>Exmouth barbeque proceeds</i>	Wallaceburg & District Chamber of Commerce <i>Award Sponsor</i>
Help Sue Roll Home <i>Anita Fiorini for Sue VanEkeren</i>	Petrolia Optimist Club <i>Toonie draw</i>	Wallaceburg Junior Lakers Hockey Club
Holy Rosary School <i>Wyoming barbeque proceeds</i>	Rotary Club of Sarnia <i>TV auction</i>	Wyoming & District Soccer Club
Jack Doyle's <i>Sarnia prostate clinic</i>	Rotary Club of Wallaceburg	
John Knox Christian School		
Kinsmen Club of Wallaceburg <i>Pumpkinfest</i>		

Total Amount of Donations or Sponsorships \$20,614.98



DATE OF YEAR-END	DIVIDEND PAID	DIVIDEND TERM	LOAN INTEREST REBATE PAID	MORTGAGE REBATE PAID	LAMBTON LINE II REBATE PAID	BUSINESS LOC INTEREST REBATE
OCT. 31, 1993	5.00%	N/A	NIL	NIL	NIL	N/A
OCT. 31, 1994	3.75%	N/A	3.50%	1.75%	1.75%	N/A
OCT. 31, 1995	5.00%	N/A	4.25%	2.125%	2.125%	N/A
OCT. 31, 1996	4.25%	N/A	3.50%	1.75%	1.75%	N/A
OCT. 31, 1997	4.00%	N/A	3.50%	1.75%	1.75%	N/A
OCT. 31, 1998	4.35%	N/A	4.25%	2.00%	2.00%	N/A
OCT. 31, 1999	4.80%	N/A	5.00%	2.50%	2.50%	N/A
OCT.31, 2000	4.75%	N/A	5.00%	2.40%	2.40%	N/A
OCT. 31, 2001	4.00%	N/A	5.25%	2.625%	2.625%	N/A
OCT. 31, 2002	3.40%	N/A	6.25%	3.00%	3.00%	N/A
OCT. 31, 2003	3.25%	N/A	7.25%	3.40%	3.40%	N/A
OCT. 31, 2004	3.00%	N/A	7.25%	3.40%	3.40%	5.50%
OCT. 31, 2005	3.00%	N/A	12.00%	3.75%	3.75%	5.00%
OCT. 31, 2006	3.25%	N/A	15.00%	5.00%	5.00%	5.00%
OCT. 31, 2007	3.70%	N/A	16.00%	6.00%	6.00%	5.00%
OCT. 31, 2008	3.50%	N/A	16.00%	5.00%	5.00%	5.00%
OCT. 31, 2009	1.70%	N/A	10.00%	3.50%	2.00%	3.00%
OCT. 31, 2010	1.05%	N/A	5.50%	1.75%	1.00%	1.50%
OCT. 31, 2011	1.15%	1.40%	4.00%	1.50%	0.75%	1.00%
OCT. 31, 2012	1.25%	1.50%	4.00%	1.50%	0.75%	1.00%
OCT. 31, 2013	1.00%	1.25%	3.00%	1.00%	0.40%	0.50%
OCT. 31, 2014	1.10%	1.35%	3.00%	1.00%	0.40%	0.50%
OCT. 31, 2015	1.00%	1.25%	1.50%	0.50%	0.20%	0.25%



Southwest

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